Attachment One

al Revenue Service .ict Director opkins plaza _timore, Md. 21201

Date: JAN -5 1999

Department of the Treasury Southeast Key District(EP/EO)

PERSON TO CONTACT:

CONTACT TELEPHONE NUMBER:

IN REPLY REFER TO: EO: T: DW



CERTIFIED MAIL

Dear Sir or Madam:

We have considered your application for recognition of exemption from Federal income we have considered your application for recognition of exemption from rederer fax under section 501(c)(6) of the Internal Revenue Code and have determined that you do not qualify for tax exemption under that section. Our reasons for this conclusion and the

You were incorporated on purpose of building an effective network of women business owners and professionals committed to integrity of performance and service and the creative exchange of business.

One of the purposes as set forth in Bylaws, Article II, section 4 is, "Commitment to One or the purposes as set forth in bylaws, Article II, Section 4 15, Commitment the creative exchange of pusiness- clear intent to enhance the business welfare of other members of WBN through the contribution of referrals of clients and business contacts or placement of direct contracts or orders for goods and services".

The membership requirements as set forth in Article III of your Bylaws limit membership to one member per chapter in each "business category", "business specialty" or profession. The terms business category and business specialty are defined in Articles

Bylaws Article III, section 3 describes the "Method of Application Review and Acceptance" as using the following criteria for Chapter membership:

- a. availability of business category to which application has been made; b. availability of business specialty;
- c. applicant agrees to accept and foster the general goals and purposes of the
- d. application has community or business interest within the area of the Chapter

Section 4 of Article III states that an applicant may be denied membership in a chapter due to an overlap of business categories or specialties and/or conflicts of interest among similar business categories. The prospective member may elect to be placed on a waiting list in the desired chapter or seek placement in an alternative chapter.

It is also noted that the sample meeting agenda contained in Bylaws, Article IV, section 1, a, items 4 and 5 are listed as Chapter members self-marketing and Referrals

The principal characteristics of a business league, chamber of commerce or board of trade as defined in Internal Revenue Code section 501%(6) are:

- 1. It must not be organized for profit.
- 2. No part of the net earnings may inure to the benefit of any private shareholder or individual.
- 3. Its activities must be directed to the improvement of business conditions of one or more lines of business, as distinguished from the performance of particular services for individual members, and

 Its purposes must not be to engage in a regular business of a kind ordinarily carried on for profit.

The members of an exempt business league must share a common business interest and the purpose of the business league must be to promote this common business interest.

A chamber of commerce or board of trade usually directs their efforts at promoting the common economic interests of all commercial enterprises in a given trade community.

Section 501(c)(6) of the Internal Revenue Code provides for exemption of business leagues, chambers of commerce, real estate boards, boards of trade, and professional leagues, which are not organized for profit and no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(6)-1 of the Income Tax Regulations states that a business league is an association of person having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily conditions of one or more lines of business as distinguished from the performance of particular services for individual persons.

Revenue Ruling 59-391, 1959-2 C.B. 153 held that an organization composed of individuals, firms, associations and corporations, each representing a different trade, business, occupation or profession whose purpose is to exchange information on business individual sales. The activities are not directed to the improvement of one or more lines for business, but rather to the promotion of the private interests of its members.

Fevenue Ruling 76-4G, 1976-2 C.B. 153 found: An organization formed as a membership organization of business an professional women that promotes the acceptance of women in sponsoring events devoted to the discussion and consideration of problems affecting women in business and the professions, the organization is promoting a common business interest. To the extent the organization achieves its goal of improving opportunities for and business from which its members are drawn.

You have stated that your organization is similar in nature to the one referenced in Revenue Ruling 76-400 because it promotes the acceptance of women in business and the professions. However, based on the description of your activities provided in Form 1024, the Bylaws and other documents, the primary purpose of the your organization is to promote activities and purposes through "self-marketing" and increase individual sales. The Revenue Ruling 59-391 referenced above. It is also noted that your membership is even more Chapter is limited to one member for each business category or business specialty. Based private interests of your members.

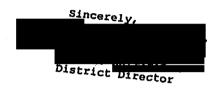
Accordingly, this organization is not exempt from Federal income tax as a business league under section 501(c)(6).

You are not relieved of the requirement to file Federal income tax returns.

If you do not agree with our determination, you may request consideration of this matter by the Office of Regional Director of Appeals. To do this you should file a written appeal as explained in the enclosed Publication 892. Your appeal should give the facts, law, and any other information to support your position. If you want a hearing, please request it when you file your appeal and you will be contacted to arrange a date. The hearing may be held at the regional office, or, if you request, at any mutually convenient district office. If you will be represented by someone who is not one of your principal officers, he or she will need to file a power of attorney or tax information authorization with us. If you do not appeal this determination within 30 days from the

date of this letter, as explained in Public 892, this letter will become our final

If you do not appeal this determination within 30 days from the date of this letter, as explained in Publication 892, this letter will become our final determination letter, be considered by the Internal Revenue Service is a failure to exhaust all administrative or decree under this section 7426(b)(2) of the Code provices, in part, that, "A declarator, it will court, U.S. Court of Claims or District Court of the U.S. for the District of Columbia determines that the organization involved has exhausted administrative remedies available Court, U.S. Court of Claims or District Court of the U.S. For the District of Columbia determines that the organization involved has exhausted administrative remedies available



Enclosure: Publication 892